

**MERAFONG CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2009

	Note	2009 R'000	2008 R'000
Infrastructure Development	Chief Operating Officer	Community Services	Economic Development, Planning & Environmental Management
R'000	R'000	R'000	R'000
<b>Remuneration of Individual Executive Directors</b>			
<b>2009</b>			
Annual Remuneration	711	711	711
Performance- and other bonuses	87	59	89
<b>Total</b>	<b>798</b>	<b>770</b>	<b>799</b>
<b>2008</b>			
Annual Remuneration	625	625	625
Performance- and other bonuses	75	0	75
<b>Total</b>	<b>701</b>	<b>625</b>	<b>701</b>

**25 REMUNERATION OF COUNCILLORS**

Executive Mayor	571	514
Speaker	447	403
Executive Committee Members	3 811	3 164
Councillors	6 786	6 182
<b>Total Councillors' Remuneration</b>	<b>11 614</b>	<b>10 262</b>

**In-kind Benefits**

The Executive Mayor, Speaker, Chief Whip and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor has use of a Council owned vehicle for official duties.

The Executive Mayor has four full-time VIP Security personnel.

**26 DEPRECIATION AND AMORTISATION EXPENSE**

Property, plant and equipment	23 151	17 335
<b>Total Depreciation and Amortisation</b>	<b>23 151</b>	<b>17 335</b>

**27 FINANCE COSTS**

External loans	8 065	7 904
Arrear Creditors Accounts	1	25
Finance leases	5 322	5 507
Bank overdrafts	0	16
<b>Total Finance Costs</b>	<b>13 388</b>	<b>13 452</b>

**28 BULK PURCHASES**

Electricity	59 351	44 018
Water	99 910	96 282
<b>Total Bulk Purchases</b>	<b>159 261</b>	<b>140 300</b>

**29 CONTRACTED SERVICES**

Contracted services for:	19 820	21 380
	<b>19 820</b>	<b>21 380</b>

**30 GRANTS AND SUBSIDIES PAID**

Grant/subsidy to Indigent Consumers	6 032	5 813
	<b>6 032</b>	<b>5 813</b>

**MERAFONG CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2009

	Note	2009 R'000	2008 R'000
<b>31 GENERAL EXPENSES</b>			
Included in general expenses are the following:-			
Advertising Costs		295	182
Annual Report		223	317
Attendance And Conference Fees		154	166
Bank Charges		1 217	1 312
Beneficiary Admin Costs		26	1
Buildings		170	60
By-Laws		13	11
Campaign HIV/Aids		485	544
Capital Replacement Fund		6	0
Class fees (Training)		147	122
Clean Up Projects		52	0
Cleaning Materials		236	207
Clinic Required: Maternity And Medical		17	18
Computer Licences		1 925	874
Consumable And Small Assets		189	334
Copyright And Radio Licences		21	18
Culture Projects		124	62
Culture Upliftment		20	0
Deed Returns		18	10
Development Facilitation Act		0	2
Disaster Management		836	769
Distribution Network		790	1 104
Donations: Incentives		10	4
Dry-cleaning And Laundering		5	4
Electricity		5 252	4 462
Employment Equity		664	1 173
Entertainment Allowance		1 404	669
Fertilizer And Pesticides		101	71
Forum Entertainment		18	0
Fuel & Oil - Other		12 466	10 720
Grant Finance Management Grant (FMG)		377	308
Grave Number Plates		12	18
Hawker Facilities		263	10
Income Forgone		16 002	0
Jazz Festival		0	19
Khutsong Exp Replacement Reserve		249	7
Led: Special Projects		81	16
Legal Costs		2 417	1 797
Levy: Drivers License Test		766	704
Levy: Roadworthy Certificate		2 971	1 046
Library Books		155	125
Library Material		90	85
Library Temp Workers North West		0	114
Living Units: Emergency Services		0	49
Low Cost Housing		31 867	0
Magazines And Newspapers		42	34
Maps And Copy Paper		51	32
Material And Stock		621	699
Mayoral Projects		72	456
Mayoral Projects		1 462	290
MEC. Sport Commitments		152	892
Medical Examination S-Pension		8	4
Moving Costs: Personnel		0	9
MSIG Municipal Systems Improvement Grant DPLG		1 044	445
National Celebration Day		36	0
Organisational Structure Development		49	42
Other		15	18
Outreach Programmes Library		58	46
Pauper Funeral		67	12
Personnel Bursaries		155	240
PMO Development		195	1 206
Prepaid Meter Conversions		46	148
Prepaid Tokens Electricity		19	0
Primary Health Care		0	913
Printing		629	482
Publicity		205	154
Purchase Black Bags		51	1
Reconstruction Khutsong		3 364	6 313
Recreation Projects		61	74
Reference Library		59	22
Refuse		400	181
Relocation Households		0	36
Rent: C/Chambers (R1 200000 P/A)		1 019	1 019
Rent: Equipment (Internal)		1 069	823
Replacement Of Books		33	31
Rewards		2	9
Sewer		-2	17
Sinkhole Rehabilitation		478	0
Skills Development Levy		967	893
Sportsman And Woman Of The Year		0	24
Stamps, Post Box And Telegrams		40	47
Standpipe Operator Fee		86	46
Stationery		613	692

**MERAFONG CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2009

	Note	2009 R'000	2008 R'000
Stock Shortages		780	970
Street Cleansing Contracts		14	0
Subscription Fees To Associations		945	524
Subsidies SPCA		92	100
Sundry Expenses		233	197
Telephone		5 184	4 858
Tender Adverts		84	96
Tools And Equipment		8	157
Tourism Development		132	0
Training And Development		1 004	1 448
Transport		0	0
Travel And Subsistence Allowance		823	635
Trees, Shrubs And Shelters		19	31
Tribute		352	3
Ward Committee Support		47	116
Water		1 487	421
Water Inspectors		132	209
Water Services Development Plan DWAF		120	347
Water Week		0	0
Wedela Agricultural Project		111	0
		<b>106 867</b>	<b>53 979</b>
<b>32 GAIN / (LOSS) ON SALE OF ASSETS</b>			
Property, plant and equipment		780	1 483
<b>Total Gain / (Loss) on Sale of Assets</b>		<b>780</b>	<b>1 483</b>
<b>33 CASH GENERATED BY OPERATIONS</b>			
Surplus/(deficit) for the year		117 098	32 860
Adjustment for:-			
Depreciation and amortisation		23 144	17 335
(Gain) / loss on sale of assets		(780)	(1 483)
Contribution to provisions - current		43 521	59 041
Fair value adjustments		878	917
Finance costs		13 388	13 452
Interest earned		(49 353)	(25 652)
<b>Operating surplus before working capital changes:</b>		<b>147 897</b>	<b>96 470</b>
(Increase)/decrease in inventories		(431)	(841)
(Increase)/decrease in trade receivables		(10 513)	17 245
(Increase)/decrease in other receivables		9 437	(21 536)
(Increase)/decrease in VAT receivable		1 379	(1 579)
Increase/(decrease) in conditional grants and receipts		232 780	757
Increase/(decrease) in trade payables		12 658	7 479
Increase/(decrease) in consumer deposits		953	1 214
Increase/(decrease) in VAT payable		1 909	(133)
Correction of Error		8	(123)
<b>Cash generated by/(utilised in) operations</b>		<b>396 076</b>	<b>98 954</b>
<b>34 CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents included in the cash flow statement comprise the following:			
Bank balances and cash		112 718	20 946
INVESTMENTS		190 204	31 354
<b>Net cash and cash equivalents</b>		<b>302 921</b>	<b>52 300</b>

**MERAFONG CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2009

Note	2009 R'000	2008 R'000
<b>35 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION</b>		
Long-term liabilities (see Note 15)		
Used to finance property, plant and equipment – at cost	20 303	29 379
Sub- total	20 303	29 379
Cash set aside for the repayment of long-term liabilities		
<b>Cash invested for repayment of long-term liabilities</b>	<b>0</b>	<b>0</b>

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

**36 CORRECTION OF ERROR**

Finance Lease amended to include residual values

Low cost housing excluded off Assets

Stock and Transit corrected

The comparative amount has been restated as follows:

Amasondo lease payments	6 030
Stock in Transit	1 528
Property Plant and Equipment: New Assets	13 777
Property Plant and Equipment: Low cost housing reverse	(41 979)
Accumulated Depreciation: New Assets	1 132
Accumulated Depreciation: Assets written back	(458)
Government Grant Utilised: depreciation written back	(674)
Government Grant Depreciation: Assets written back	28 202
Previous years transactions	(6)
<b>Net effect on surplus/(deficit) for the year</b>	<b>7 553</b>
Assets	(26 000)
Liabilities	6 030
Government Grants	27 523
<b>Net effect on Statement of Financial Position</b>	<b>7 553</b>
<b>Net effect on Accumulated surplus opening balance</b>	<b>0</b>

**37 CHANGE IN ESTIMATE**

The useful life of certain plant was estimated in 2009 to be 5 years. In the current period management have revised their estimate to 5 years. The effect of this revision has increased the depreciation charges for the current and future periods by R 4 962 420.

**UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL**

**38 EXPENDITURE DISALLOWED**

**UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL**

**38.1 EXPENDITURE DISALLOWED**

Reconciliation of unauthorised expenditure

Opening balance	867	867
Unauthorised expenditure current year	0	0
Approved by Council or condoned	0	0
Transfer to receivables for recovery	0	0
<b>Unauthorised expenditure awaiting authorisation</b>	<b>867</b>	<b>867</b>

Incident	Disciplinary steps/criminal proceedings
Water Tanker Stolen	Outstanding Disciplinary case - SAPS case number 363/12/2004

**38.2 Unauthorised expenditure**

Reconciliation of unauthorised expenditure

Opening balance	0	0
Unauthorised expenditure current year	14 239	0
Approved by Council or condoned	0	0
Transfer to receivables for recovery	(14 239)	0
<b>Unauthorised expenditure awaiting authorisation</b>	<b>0</b>	<b>0</b>

**MERAFONG CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2009

Note	2009 R'000	2008 R'000	
<b>ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE</b>			
<b>39 MANAGEMENT ACT</b>			
<b>39.1 Contributions to organised local government</b>			
Opening balance	0	0	
Council subscriptions	846	464	
Amount paid - current	(846)	(464)	
Amount paid - previous years	0	0	
<b>Balance unpaid (included in payables)</b>	<b>0</b>	<b>0</b>	
<b>39.2 Audit fees</b>			
Opening balance	0	0	
Current year audit fee	1 741	1 778	
Amount paid - current year	(1 741)	(1 778)	
Amount paid - previous years	0	0	
<b>Balance unpaid (included in payables)</b>	<b>0</b>	<b>0</b>	
<b>39.3 VAT</b>			
VAT input receivables and VAT output payables are shown in notes 11 & 12. All VAT returns have been submitted by the due date throughout the year.			
<b>39.4 PAYE and UIF</b>			
Opening balance	523	0	
Current year payroll deductions	20 072	16 331	
Amount paid - current year	(20 595)	(15 808)	
Amount paid - previous years	0	0	
<b>Balance unpaid (included in payables)</b>	<b>(0)</b>	<b>523</b>	
<b>39.5 Pension and Medical Aid Deductions</b>			
Opening balance	0	0	
Current year payroll deductions and Council Contributions	43 785	37 952	
Amount paid - current year	(43 785)	(37 952)	
Amount paid - previous years	0	0	
<b>Balance unpaid (included in payables)</b>	<b>0</b>	<b>0</b>	
<b>39.6 Councillor's arrear consumer accounts</b>			
The following Councillors had arrear accounts outstanding for more than 90 days as at: -			
	<b>Total</b>	<b>Outstanding less than 90 days</b>	<b>Outstanding more than 90 days</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>as at 30 June 2009</b>			
C Dyonase	4	2	1
<b>Total Councillor Arrear Consumer Accounts</b>	<b>4</b>	<b>2</b>	<b>1</b>
<b>as at 30 June 2008</b>			
T Mokapela	1	1	0
TK Foteng	3	1	1
C Dyonase	12	1	10
<b>Total Councillor Arrear Consumer Accounts</b>	<b>15</b>	<b>3</b>	<b>12</b>
During the year the following Councillors had arrear accounts outstanding for more than 90 days.			
	<b>Highest Amount Outstanding</b>	<b>Ageing Days</b>	
	<b>R'000</b>		
<b>as at 30 June 2009</b>			
C Dyonase	12	120+	
<b>as at 30 June 2008</b>			
T Mokapela	6	120+	
TK Foteng	3	120+	
C Dyonase	13	120+	



**MERAFONG CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2009

**Deviations in terms of Section 113 of the Municipal Finance Act and  
40 Regulation 36 of the Supply Chain Regulations**

40.1

High Pressure Pump.

Used to clean blocked sewerage lines, pump brake

Reason:

Werner pumps sole provider of spares.

40.2

Water Pipe Burst

Replacement of valves as matter of urgency

Reasons:

Done as matter of emergency, not to hamper service delivery and prevent water losses.

40.3

Khutsong Reservoir Pump

One pump operational, repair pump to prevent water delivery problems

Reason:

Had to repair pump to prevent water delivery problems.

40.4

Wedela Waste Water Treatment Plant- Borehole Pump

Pump supplying drinking and washing broke

Reason:

All suppliers had closed for Christmas break, only one Supplier could be contacted.

40.5

Losberg Industrial Road.

Repair and maintenance of road due to high traffic volumes of hereby vehicles

Reason:

Sole provider in large quantities

40.6

Water Care Works:

Treatment plants within Merafong are mostly still using chlorine chips to treat sewerage.

Reason:

Chlorine Chips

Sole provider of chlorine chips

40.7

Potable Water

Testing of drinking water at an accredited testing laboratory waiting period is two week and we have to travel to other towns to have the water tested, thus reason for using locally based company.

Reason:

Only service provider within Carletonville

40.8

Potable Water

Testing of drinking water at an accredited testing laboratory waiting period is two week and we have to travel to other towns to have the water tested, thus reason for using locally based company.

Reason:

Only service provider within Carletonville

40.9

Carletonville Plumbers, Willy's Plumbers and Merafong Plumbers – strike action 29 April to 8 May 2009.

Illegal strike took place 29 April to 8 May 2009 by SAMWU and assistance was given by Carletonville Plumbers, Willy's Plumbers and Merafong Plumbers for repairs to burst pipes and blocked sewerage line.

Reason:

Emergency repairs and assistance during illegal strike action

40.10

Water Care Works: Chlorine Chips

Treatment plants within Merafong are mostly still using chlorine chips to treat sewerage.

Reason:

Sole provider of chlorine chips

40.11

Emergency Repairs Wes Driefontein Water Pipe line

Emergency repairs to water pipe supplying water to informal settlement

Reason:

Decision was taken by the Superintendent to avoid further water losses and disruption of service to informal settlement.

40.12

Water Care Works: Chlorine Chips

Treatment plants within Merafong are mostly still using chlorine chips to treat sewerage

Reason:

Sole provider of chlorine chips

40.13

Water Care Works: Chlorine Chips

Treatment plants within Merafong are mostly still using chlorine chips to treat sewerage

Reason:

Sole provider of chlorine chips

40.14

Repairs to Gorman Rupp Pump at Water Care Works

Repairs and Maintenance of pump at water care works.

Reason:

MSD Engineering & Mining Supplies are sole agent in Carletonville for this pump, requested other quotation from other suppliers but none were received.

**MERAFONG CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2009

Note

<b>2009</b>	<b>2008</b>
<b>R'000</b>	<b>R'000</b>

**41 CAPITAL COMMITMENTS**

**41.1 Commitments in respect of capital expenditure**

	<b>337 825</b>	<b>62 471</b>
Infrastructure	318 486	58 321
Community	19 127	3 981
Heritage	0	0
Other	211	170
<b>Total</b>	<b>337 825</b>	<b>62 471</b>
This expenditure will be financed from:		
- External Loans	307	2 600
- Government Grants	332 505	412 141
- Own resources	1 082	11 470
- District Council Grants	1 079	0
- Public Contributions and Donations	2 852	38 901
	<b>337 825</b>	<b>465 113</b>

**42 RETIREMENT BENEFIT INFORMATION**

**42.1 Defined benefit plan**

The following is defined as a benefit plan: Joint Municipal Pension Fund. These are not treated as defined benefit plans as defined by IAS19, but are accounted for as defined contribution plans. This is in line with the exemption in IAS 19 par. 30 which states that where information required for proper defined benefit plan accounting is not available in respect of multi-employer and state plans, these should be accounted for as defined contribution plans. The municipality has been unsuccessful in obtaining the necessary information to support proper defined benefit plan accounting due to restrictions imposed by the multi-employer plan. It is therefore deemed impracticable to obtain this information at a suitable level of detail.

An amount of R44 million (2008 : R38 million) was contributed by Council in respect of Councillor and employees retirement funding. These contributions have been expensed.

**43 CONTINGENT LIABILITY**

**43.1 Claim for damages**

<b>698</b>	<b>554</b>
------------	------------

The Municipality is being sued by an official for constructive dismissal. Council is contesting the claim based on legal advice. A court date has been set for April 2010. The contingent liability includes legal costs of R698 000. Should Council be unsuccessful in defending the claim, there is a possibility that the claim will be settled from Operating Expenses

**MERAFONG CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2009

	Note	2009 R'000	2008 R'000
<b>44 RELATED PARTIES</b>			
Members of key management			
Rabodila, Jacob, Moeketsi	Municipal Manager		
Wienekus, Matthys, Gerhardus	Chief Financial Officer		
Leseane, Elias, Monosi	Chief Operating Officer		
Spies, Lodewyk, Christoffel	Executive Director		
Mokgethi, Nomathemba, Emily	Executive Director		
Nieuwoudt, Casper, Wilhelmus, Albertus	Executive Director		
Murray, Jan, Johannes	Acting Executive Director		
<b>Related party balances</b>			
Amounts included in Trade receivable (Trade payable) regarding related parties			
Consumer accounts - Owing by related parties			
Mathikge, Welheminah, Mantsho			1
Foteng, Teboho, Kenneth			1
Dyonase, Mantu, Magaret			4
D.V. Tabane			2
<b>Related party transactions</b>			
None			
<b>45 EVENTS AFTER THE REPORTING DATE</b>			
<p>The Municipality will have to transfer its electricity function to the new Regional Electricity Distributor (RED) - Region AB. The date of transfer is proposed is unknown. The financial effect of this transfer is not yet known as the Municipality is uncertain as to what its share of the revenue of the RED will be or what the terms and conditions of the transfer will be. There are ongoing discussions with the management of RED - Region AB and EDI Holdings, which is the responsible authority for the implementation of REDS nationally.</p>			
<b>46 KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS</b>			
<p>The following areas involve a significant degree of estimation uncertainty:</p> <p>Useful lives and residual values of property, plant, and equipment  Recoverable amounts of property, plant and equipment</p> <p>The following areas involved judgements, apart from those involving estimations disclosed above, that management has made in the process of applying the municipality's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:</p> <p>Impairment of assets  Provisions  Other</p>			
<b>47 RISK MANAGEMENT</b>			
<b>47.1 Maximum credit risk exposure</b>			
<p>Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.</p> <p>Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.</p> <p>Financial assets exposed to credit risk at year end were as follows:</p>			
ABSA Bank Ltd		107 316	33 175
NEDBANK Ltd		197 460	19 474
INCA		11 268	9 921
Trade and other receivables		415 415	365 620
These balances represent the maximum exposure to credit risk.			



**MERAFONG CITY LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2009

Note

2009	2008
R'000	R'000

#### 47.2 Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

##### 2009

Gross finance lease obligations  
Borrowings  
Trade and other payables  
Other

Not later than one month	Later than one month and not later than three months
1 121	3 362
583	1 750
38 185	
15 861	

##### 2009

Gross finance lease obligations  
Borrowings  
Trade and other payables  
Other

Later than three months and not later than one year	Later than one year and not later than five years
8 966	26 965
4 667	26 829

##### 2008

Gross finance lease obligations  
Borrowings  
Trade and other payables  
Other

Not later than one month	Later than one month and not later than three months
1 161	3 484
1 529	4 588
25 637	
19 284	

##### 2008

Gross finance lease obligations  
Borrowings  
Trade and other payables  
Other

Later than three months and not later than one year	Later than one year and not later than five years
9 290	29 360
12 236	26 829

#### 47.3 Interest rate risk

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk. Municipality policy is to maintain approximately 60% of its borrowings in fixed rate instruments.

At year end, financial instruments exposed to interest rate risk were as follows:

- Call deposits
- Notice deposits
- Long term annuity
- Development Bank of South Africa loan

#### 48 COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexures E(1) and E(2)

**MERAFONG CITY LOCAL MUNICIPALITY**  
**APPENDIX A**  
**SCHEDULE OF EXTERNAL LOANS**  
as at 30 June 2009

<b>EXTERNAL LOANS</b>	<b>Loan number</b>	<b>Redeemable Date</b>	<b>Balance at 30 June 2008</b> R'000	<b>Received during the period</b> R'000	<b>Redeemed / written off during the period</b> R'000	<b>Balance at 30 June 2009</b> R'000
<b>LONG-TERM LOANS</b>						
INCA @18.00%	FV04-S	2016/06/30	4 000	0	0	4 000
INCA @17.45%	FVL108Z-S	2008/12/30	1 100	0	1 100	0
			<b>5 100</b>	<b>0</b>	<b>1 100</b>	<b>4 000</b>
<b>Annuity Loans</b>						
FBC Fidelity Investment	FBC57492000383	2008/10/24	11 000		11 000	0
INCA @ 10.97%	MER-00-0001	2016/06/30	43 977		3 638	40 339
Development Bank of South Africa @ 5%	N/W 102298	2025/06/30	17 200	16 962		34 162
Development Bank of South Africa @ 5%	25655	2011/12/31	3 514		781	2 733
<b>Total long-term loans</b>			<b>75 691</b>	<b>16 962</b>	<b>15 419</b>	<b>77 234</b>
<b>FINANCE LEASES</b>						
ABSA	62986064	2008/12/01	108	0	108	0
ABSA	63109784	2008/10/01	71	0	71	0
ABSA	65699163	2009/12/01	22	0	15	7
Rentworks	08104MCM0002	2008/12/31	357	0	357	0
Rentworks	08287MCM0003	2009/01/01	200	0	200	0
Rentworks	08316MCM0004	2009/01/01	79	0	79	0
Rentworks	08464MCM0005	2009/04/01	1 814	0	977	838
Rentworks	08578MCM0006	2009/04/01	1 292	0	790	501
Rentworks	08710MCM0007	2009/07/01	883	0	325	557
Rentworks	08890MCM0008	2009/07/01	214	0	111	103
Rentworks	09089MCM0009	2009/10/01	332	0	114	218
Rentworks	09441MCM0010	2009/10/01	1 705	0	690	1 015
Amasondo	Amasondo		33 767	3 042	5 390	31
MTN	MTN1		786	0	413	373
Nashua	NASHUA		1 491	0	356	1 135
Konica	KONICA1		174	300	52	422
			<b>43 295</b>	<b>3 342</b>	<b>10 048</b>	<b>5 201</b>
<b>TOTAL EXTERNAL LOANS</b>			<b>124 086</b>	<b>20 303</b>	<b>26 567</b>	<b>86 435</b>

**MERAFONG CITY LOCAL MUNICIPALITY**  
**APPENDIX B**  
**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**  
as at 30 June 2009

	as at 30 June 2009														
	Cost / Revaluation					Accumulated Depreciation									
	Opening Balance R'000	Additions R'000	Disposals R'000	Adjustments R'000	Under Construction R'000	Closing Balance R'000	Opening Balance R'000	Depreciation R'000	Disposals R'000	Adjustments R'000	Impairment loss/Reversal of Impairment loss R'000	Closing Balance R'000	Transfers R'000	Other movements R'000	Carrying Value R'000
Land	7 101	0	0	0	0	7 101	(7)	(4)	0	0	0	(12)	0	0	7 089
Land	4 463	0	0	0	1 062	5 525	(3 316)	(45)	0	0	0	(3 362)	0	0	2 163
Landfill Sites	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Quarries															
	11 563	0	0	0	1 062	12 626	(3 324)	(50)	0	0	0	(3 373)	0	0	9 252
Buildings	6 618	0	0	0	0	6 618	(6 625)	7	0	0	0	(6 618)	0	0	0
Infrastructure															
Drains	34 971	0	0	0	0	34 971	(21 340)	(805)	0	0	0	(22 146)	0	0	12 825
Roads	58 629	2 497	0	0	0	61 126	(44 658)	(1 702)	0	0	0	(46 360)	0	0	14 766
Sewerage Mains & Purification	120 180	0	0	0	0	162 043	(49 746)	(4 137)	0	0	0	(53 883)	0	0	108 160
Electricity Mains	97 266	0	0	0	41 863	118 802	(78 050)	(1 386)	0	0	0	(79 436)	0	0	39 366
Electricity Peak Load Equip	30	0	0	0	21 536	30	(30)	-	0	0	0	(30)	0	0	0
Water Mains & Purification	49 571	0	0	0	55 816	105 387	(31 959)	(704)	0	0	0	(32 663)	0	0	72 724
Reservoirs – Water	3 319	0	0	0	0	3 319	(610)	(19)	0	0	0	(630)	0	0	2 690
Water Meters	794	0	0	0	0	794	(156)	(53)	0	0	0	(209)	0	0	585
Pedestrian Facilities	3 536	0	0	0	0	3 536	(2 498)	(57)	0	0	0	(2 555)	0	0	981
Airports	79	0	0	0	0	79	(79)	0	0	0	0	(79)	0	0	0
Security	1 643	0	0	0	658	2 301	(1 643)	(27)	0	0	0	(1 663)	0	0	638
	370 018	2 497	0	0	119 873	492 388	(230 770)	(8 890)	0	0	0	(239 653)	0	0	252 734
Community Assets															
Parks & Gardens	585	0	0	0	0	585	0	0	0	0	0	0	0	0	585
Libraries	515	0	0	0	445	959	0	0	0	0	0	0	0	0	959
Recreation Grounds	23 133	73	0	0	1 871	25 077	(7 589)	(335)	0	0	0	(7 924)	0	0	17 153
Civic Buildings	69 868	0	0	(18)	0	69 850	(64 285)	(37)	0	18	0	(64 304)	0	0	5 546
Clinics	191	0	0	0	0	191	0	0	0	0	0	0	0	0	191
Other	289	0	0	0	1 140	1 430	(275)	(4)	0	0	0	(279)	0	0	1 151
Cemeteries	2 649	1 731	0	0	291	4 672	0	0	0	0	0	0	0	0	4 672
	97 230	1 804	0	(18)	3 748	102 764	(72 148)	(376)	0	18	0	(72 507)	0	0	30 257
Heritage Assets															
Historical Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Paintings & Artifacts	44	0	0	0	0	45	0	0	0	0	0	0	0	0	45
	44	0	0	0	0	45	0	0	0	0	0	0	0	0	45
	485 474	4 300	0	(17)	124 683	614 440	(312 867)	(9 309)	0	0	7	(322 151)	0	0	292 289
Total carried forward															

**MERAFONG CITY LOCAL MUNICIPALITY**  
**APPENDIX B**  
**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**  
as at 30 June 2009

as at 30 June 2005																
	Cost / Revaluation					Accumulated Depreciation									Other movements	Carrying Value
	Opening Balance R'000	Additions R'000	Disposals R'000	Adjustments R'000	Under Construction R'000	Closing Balance R'000	Opening Balance R'000	Depreciation R'000	Disposals R'000	Adjustments R'000	Impairment loss/Reversal of impairment loss R'000	Closing Balance R'000	Transfers R'000			
Total brought forward	485 474	4 300	0	(17)	124 683	614 440	(312 867)	(9 309)	0	0	7	(322 151)	0	292 289		
Other Assets																
Office Equipment	1 408	491	0	581	0	2 480	(722)	(380)	0.00	83	9	(1 010)	0	1 470		
Furniture & Fittings	9 263	406	(1)	(418)	0	9 250	(5 402)	(1 546)	1	807	21	(6 119)	0	3 131		
Bins and Containers	690	0	0	(29)	0	661	(690)	0	0.00	29	0	(661)	0	0		
Emergency Equipment	60	85	0	(12)	0	133	(37)	(11)	0.00	21	0	(27)	0	106		
Motor vehicles	5 663	0	(146)	(948)	0	4 568	(5 163)	(114)	71	1049	0	(4 158)	0	411		
Fire engines	730	0	0	2 387	0	3 117	(474)	(17)	0.00	0	0	(491)	0	2 626		
Refuse tankers	0	0	0	0	0	0	0	0	0.00	0	0	0	0	0		
Computer Equipment	4 760	1 903	(16)	(119)	0	6 528	(2 422)	(984)	8.84	463	60	(2 874)	0	3 654		
Plant and Equipment	11 316	1 273	0	(820)	0	11 769	(7 476)	(1 600)	0.00	1108	146	(7 821)	0	3 948		
	33 889	4 158	(163)	623	0	38 506	(22 386)	(4 652)	81	3 559	236	(23 161)	0	15 345		
Finance Lease Assets																
Office Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Other Assets	45 529	3 595	(343)	50	0	48 831	(12 490)	(9 183)	116	30	84	(21 444)	0	27 388		
	45 529	3 595	(343)	50	0	48 831	(12 490)	(9 183)	116	30	84	(21 444)	0	27 388		
Total	564 893	12 053	(506)	655	124 683	701 777	(347 742)	(23 144)	197	3 607	327	(366 756)	0	335 021		

**MERAFONG CITY LOCAL MUNICIPALITY**  
**APPENDIX C**  
**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT**  
as at 30 June 2009

	Cost / Revaluation					Accumulated Depreciation					Carrying value R'000
	Opening Balance	Additions	Adjustments	Disposals	Closing Balance	Opening Balance	Additions	Adjustments	Disposals	Closing Balance	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Executive & Council	83 457	319	(499)	(7)	83 270	(77 435)	(992)	733	1	(77 693)	5 577
Finance & Admin	59 171	1 943	(651)	(9)	60 454	(47 902)	(2 570)	1 077	6	(49 388)	11 066
Planning & Development	33 141	788	22	0	33 951	(28 627)	(452)	81	0	(28 998)	4 953
Health	3 446	103	2 931	0	6 480	(1 601)	(360)	67	0	(1 894)	4 586
Community & Social Services	5 060	3 729	188	(1)	8 976	(1 444)	(256)	107	2	(1 590)	7 386
Public Safety	951	20	(32)	-	938	(399)	(143)	19	0	(523)	415
Sport & Recreation	6 054	1 833	95	(303)	7 679	(2 483)	(1 366)	57	149	(3 643)	4 037
Housing	27 153	3 818	(458)	0	30 513	(9 561)	(1 779)	698	0	(10 642)	19 871
Waste Management	143 073	43 280	(40)	(186)	186 127	(60 081)	(7 276)	59	37	(67 261)	118 866
Road Transport	37 284	2 702	(249)	0	39 738	(6 579)	(3 270)	249	0	(9 600)	30 138
Water	59 425	55 882	(322)	0	114 985	(34 785)	(1 746)	393	0	(36 138)	78 847
Electricity	101 069	22 318	(322)	0	123 065	(75 065)	(2 932)	387	0	(77 610)	45 455
Other	5 609	0	(8)	0	5 601	(1 781)	(3)	8	0	(1 776)	3 825
Total	564 893	136 736	655	(506)	701 777	(347 742)	(23 144)	3 934	197	(366 756)	335 021



**MERAFONG CITY LOCAL MUNICIPALITY**  
**APPENDIX D**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ended 30 June 2009

2008			2009		
Actual Income	Actual Expenditure	Surplus / (Deficit)	Actual Income	Actual Expenditure	Surplus / (Deficit)
R'000	R'000	R'000	R'000	R'000	R'000
1 044	45 979	(44 935)	419	52 455	(52 036)
155 588	121 913	33 675	225 983	117 737	108 246
70 939	10 568	60 371	145 742	43 728	102 015
15 908	24 572	(8 663)	7 791	26 178	(18 388)
918	6 461	(5 543)	1 036	6 651	(5 616)
1 206	5 317	(4 111)	714	4 392	(3 678)
11 658	20 454	(8 796)	12 556	26 138	(13 582)
250	17 970	(17 721)	232	18 489	(18 258)
2 443	2 557	(113)	2 066	2 722	(656)
21 716	23 698	(1 982)	22 680	25 774	(3 093)
0	8 098	(8 098)	0	9 575	(9 575)
136 893	109 578	27 314	143 354	124 317	19 037
86 291	72 256	14 035	110 772	98 163	12 608
15 078	17 651	(2 573)	16 339	16 264	74
<b>519 933</b>	<b>487 073</b>	<b>32 860</b>	<b>689 683</b>	<b>572 584</b>	<b>117 098</b>
<b>Total</b>					

**APPENDIX E(1)**

**MERAFONG CITY LOCAL MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2009	2009	2009	Explanation of Significant Variances greater than 10% versus Budget
	R'000 Actual (R)	R'000 Budget (R)	R'000 Variance (R)	Variance (%)	
<b>REVENUE</b>					
Property rates	81 854	79 747	2 107	2.64%	
Property rates - penalties imposed and collection of Service charges	2 946	3 861	(916)	-23.72%	Council handed over debtors to debt collectors. This has resulted in that less debtors carried interest.
Rental of facilities and equipment	289 898	302 600	(12 702)	-4.20%	
Interest earned - external investments	939	712	227	31.87%	Council managed to rent out all its facilities
Interest earned - outstanding debtors	32 263	10 292	21 971	213.48%	Council implemented a strict cash management resulting in an increase in investment income.
Fines and Licences and Permits	17 090	22 062	(4 972)	-22.53%	Council handed over debtors to debt collectors. This has resulted in that less debtors carried interest.
	12 534	9 690	2 845	29.36%	The budget was under estimated
Government grants and subsidies					A project in Kokosi progressed slowly and the contractors contract was terminated. The Khutsong Ext 1,2 & 3 project was subjected to the protocol agreement between the two provinces. The project was approved by Gauteng but North-West could not take the project over. A phase in approach was approved and the commencement of the project was delayed for twelve months.
Other income	238 249	353 336	(115 086)	-32.57%	
Public contributions, donated/contributed PPE	7 049	8 159	(1 109)	-13.60%	The ressession had a serious effect on councils revenue
Profit or loss and sale of Assets	2 043	16 064	(14 021)	-87.28%	National Lottery Fund approved certain capital projects for the 2008/2009 financial year. These funds were never received.
<b>Total Revenue</b>	689 683	808 104	(118 421)	-14.65%	Council sold vacant land that was not budgeted for
<b>EXPENDITURE</b>					
Executive & Council					
	52 455	54 880	(2 425)	-4.42%	
Finance & Admin					
	117 737	119 559	(1 822)	-1.52%	
Planning & Development					
	43 728	285 254	(241 527)	-84.67%	See one under revenue
Health					
	26 178	20 708	5 470	26.42%	Salaries of staff was not budgeted for
Community & Social Services					
	6 651	6 653	(1)	-0.02%	
Housing					
	4 392	6 431	(2 039)	-31.70%	The budget was under estimated
Public Safety					
	26 138	25 002	1 136	4.54%	Depreciation was under estimated
Sport & Recreation					
	18 489	18 912	(423)	-2.24%	
Environmental Protection					
	2 722	0	2 722	#DIV/0!	Salaries of staff was not budgeted for
Waste Management					
	42 038	38 023	4 015	10.56%	Depreciation was under estimated
Road Transport					
	9 575	8 949	626	7.00%	Depreciation was under estimated
Water					
	124 317	125 383	(1 066)	-0.85%	
Electricity					
	98 163	98 351	(188)	-0.19%	
<b>Total Expenditure</b>	572 584	808 104	(235 520)	-29.14%	
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	117 098	0	117 098	#DIV/0!	

**APPENDIX E(2)**

**MERAFONG CITY LOCAL MUNICIPALITY: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2009**

	<u>2009 Actual</u>	<u>2009 Total Additions</u>	<u>2009 Budget</u>	<u>2009 Variance</u>	<u>2009 Variance</u>	<u>Explanation of Significant Variances greater than 5% versus Budget</u>
	<u>R'000</u>	<u>R'000</u>	<u>R'000</u>	<u>R'000</u>		
Executive & Council	319	319	530	211	39.83%	Council deferred projects that was not off an urgent nature
Finance & Admin	1 943	1 943	4 866	2 922	60.06%	Council planned to erect a call centre that did not materialise
Planning & Development	788	788	2 791	2 003	71.76%	Council planned to do a geotech investigation in the Welverdiend areas which was deferred to next financial year.
Health	103	103	0	(103)	100.00%	Health is a Provincial competency
Community & Social Services	3 729	3 729	6 313	2 584	40.93%	National Lottery Fund approved certain capital projects for the 2008/2009 financial year. These funds were never received.
Housing	3 818	3 818	35 146	31 328	89.14%	Council is busy with the conversion of GRAP 17. Top Structures were budgeted as capital. Expenditure are of an operating nature.
Public Safety	20	20	253	233	92.15%	Funds were not provided for during the 2008/2009 budget and savings from other departments were utilised
Sport & Recreation	1 833	1 833	4 691	2 858	60.92%	National Lottery Fund approved certain capital projects for the 2008/2009 financial year. These funds were never received.
Waste Management	43 280	43 280	104 006	60 726	58.39%	Infrastructure of the new Khutsong development could only start in the latter part of the financial year.
Road Transport	2 702	2 702	2 535	(167)	-6.59%	
Water	55 882	55 882	80 720	24 838	30.77%	Infrastructure of the new Khutsong development could only start in the latter part of the financial year.
Electricity	22 318	22 318	23 507	1 189	5.06%	
Other	0	0	0	0		
<b>TOTAL</b>	<b>136 736</b>	<b>136 736</b>	<b>265 357</b>	<b>128 621</b>	<b>48.47%</b>	

# Chapter 5

## FUNCTIONAL AREA SERVICE DELIVERY



Merafong City  
Annual Report 2008/2009



# FUNCTIONAL SERVICE DELIVERY REPORTING

Table 5.1

FUNCTION: GENERAL INFORMATION			
REPORTING LEVEL	DETAIL		
OVERVIEW	<p>Merafong City Local Municipality was situated in the North West Province, Dr Kenneth Kaunda District Municipality for ten months of the financial year. Subsequent to the National and Provincial elections in April 2009, the entire municipality consisting of the following areas: Carletonville, Fochville, Wedela, Kokosi and Khutsong have been re-demarcated in Gauteng and West Rand District Municipality.</p> <p>The official transfer of powers and functions will be regulated by Implementing Protocols and Memoranda of Agreement. Seeing that the demarcation was effected within a financial year, the budgets of the Provincial department will remain in force until February 2010.</p>		
INFORMATION	Statistical Information		
	Total		
	1.	<b>Geography:</b>  Geographical area in square kilometers	1,631.7 km <sup>2</sup> (Source: Stats S.A)
	2.	<b>Demography:</b>  Total population	210,901 (Source: Stats S.A) 287,607 (Source: Own information)
	3.	<b>Indigent population</b>	4,838 (Source: Council's database)
	4.	<b>Total number of voters</b>	93,187 (Source: IEC)
	5.	<b>Aged breakdown:</b>  65 years and over	5,302 (Source: Stats S.A)
		Between 40 and 64 years	59,505 (Source: Stats S.A)
		Between 15 and 39 years	99,303 (Source: Stats S.A)
		14 years and under	48,612 (Source: Stats S.A)



Table 5.2

FUNCTION: EXECUTIVE AND COUNCIL			
REPORTING LEVEL	DETAIL		
<b>DESCRIPTION OF ACTIVITY</b>  <b>DESCRIPTION OF ACTIVITY</b>	<p>The function of executive and council within the municipality is administered as follows and includes:</p> <ul style="list-style-type: none"> <li>• The Executive Mayor</li> <li>• The Speaker</li> <li>• The Chief Whip</li> <li>• Portfolio Head: Finance</li> <li>• Portfolio Head: Local Economic Development</li> <li>• Portfolio Head: Public Safety</li> <li>• Portfolio Head: Arts, Sports and Culture</li> <li>• Portfolio Head: Health</li> <li>• Portfolio Head: Corporate Support</li> <li>• Portfolio Head: Public Transport, Roads, Public Works, Housing and Land</li> <li>• Portfolio Head: Water &amp; Electricity</li> </ul> <p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> <li>• Good governance and Public Participation</li> <li>• Local Economic Development</li> <li>• Infrastructure Development and Service Delivery</li> <li>• Municipal Transformation and Organisational Development</li> <li>• Municipal Financial Viability and Management</li> </ul> <p>The key issues for 2008/2009 are:</p> <ul style="list-style-type: none"> <li>• Re-demarcation of Merafong City into Gauteng</li> <li>• Establishment of the Merafong Ministerial Task Team</li> <li>• Progress on the Khutsong Housing Project</li> </ul>		
<b>ANALYSIS OF FUNCTION</b>	1.	<b>Councillor detail</b> Total number of Councillors Number of Councillors on Executive Committee	48 8
	2.	<b>Ward detail</b> Total number of wards Number of ward meetings	26

REPORTING LEVEL	DETAIL		Total	
ANALYSIS OF FUNCTION	3.	Number of Council meetings	11	
	4.	Type of Council meetings: - Ordinary Council meetings - Special Council meetings	2 9	
	5.	Number of Mayoral Committee meetings	2	
	6.	Number of Section 80 Committee meetings per Portfolio	Special Sec 80	Ordinary Sec 80
		- Electrical, Water & Gas	-	7
		- Housing, Spatial Planning, Transport, Roads, Storm Water & Public Works	-	4
		- LED & Tourism	-	8
		- SRACH & LIS	-	8
		- Health & Environment	-	7
		- Public Safety & Security	-	10
		- Corporate Support Service	-	4
		- Finance	-	6
		* In cases where the Section 80 Committee meetings could not take place, items were forwarded to the Executive Mayor for approval in terms of delegated powers.		

Table 5.2.1 Services extend to include the following and the municipality has a mandate to extent the functions in accordance with the authorization as listed above.

FUNCTION	AUTHORIZATION	RESPONSIBILITY				
		LOCAL MUNICIPALITY				
		COO	CORPORATE SUPPORT	ED & P	INFRASTRUC-TURE	COMMUNITY SERVICES
Air pollution	✓	FUNCTION NOT PERFORMED				
Building Regulations	✓					
Child Care Facilities	✓	FUNCTION NOT PERFORMED				
Electricity reticulation	✓				✓	
Firefighting services (Shared)	DM					☑
Local tourism (Shared)	✓			✓		
Municipal airports	✓	FUNCTION NOT APPLICABLE				
Municipal planning (Shared)	✓					✓

FUNCTION	AUTHORIZATION	RESPONSIBILITY					
		LOCAL MUNICIPALITY					DISTRICT MUNICIPALITY
		COO	CORPORATE SUPPORT	ED & P	INFRASTRUCTURE	COMMUNITY SERVICES	
Municipal Health Services	X						✓
Municipal Public Transport (Shared)	✓				✓		✓
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this constitutions or any other law					✓		
Pontoons, ferries, jetties, piers and harbours, excluding the regulations of international and national shipping and matters related thereto	✓	FUNCTION NOT APPLICABLE					
Storm water management systems in built-up areas	✓				✓		
Trading regulations	✓			✓			
Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal systems	✓				✓		
Beaches and amusement facilities	✓					✓	
Billboards and the display of advertisements in public places	✓			✓			
Cemeteries, funeral parlours and crematoria	✓					✓	
Cleansing	✓					✓	
Control of public nuisances	✓	FUNCTION NOT PERFORMED					
Control of undertakings that sell liquor to the public	✓	FUNCTION NOT PERFORMED					
Facilities for the accommodation, care and burial of animals	✓					✓	
Fencing and fences	✓				✓		
Licensing of dogs	✓					✓	
Licensing and control of undertakings that sell food to the public	✓			✓			
Local amenities	✓					✓	
Local sport facilities	✓					✓	
Markets	✓	FUNCTION NOT APPLICABLE					
Municipal abattoirs	✓	FUNCTION NOT APPLICABLE					

FUNCTION	AUTHORIZATION	RESPONSIBILITY					
		LOCAL MUNICIPALITY					DISTRICT MUNICIPALITY
		COO	CORPORATE SUPPORT	ED & P	INFRASTRUCTURE	COMMUNITY SERVICES	
Municipal parks and recreation	✓					✓	
Municipal roads	✓				✓		
Noise pollution	✓	FUNCTION NOT PERFORMED					
Pounds	✓					✓	
Public places	✓					✓	
Refuse removal, refuse dumps and solid waste disposal	✓					✓	
Street trading	✓			✓		✓	
Street lighting	✓				✓		
Traffic and parking	✓					✓	

Table 5.3

FUNCTION: INFRASTRUCTURE DEVELOPMENT	
SUB-FUNCTION: Infrastructure Development	
REPORTING LEVEL	DETAIL
<b>OVERVIEW</b>	<p>The Infrastructure Development Department is structured to deliver services in accordance with the municipal mandate as determined by the Municipal Powers and Functions.</p> <p>The Infrastructure Development Department executes an engineering activity essential to both economic activity and to national development. The key functions are Electricity Services, Civil Engineering Services, Water and Sewer services and Project Management.</p> <p><b>Electrical Services</b> – Merafong City as a Supply Authority, has been licensed by the National Energy Regulator of South Africa (NERSA) to supply electricity to its area of jurisdiction. This excludes the areas previously supplied by ESKOM, prior to the regulation of the supply industry. The municipality is obligated to comply with the licensing conditions determined and regulated by NERSA.</p> <p><b>Civil Engineering Services</b> – The Civil Engineering Section is responsible to maintain municipal infrastructure focusing on Roads, Storm water and Public works. The quality of maintenance and construction work is executed within the regulatory framework of Engineering standards laid down by various legislation. The pavement management system and master plans direct the department to meet the legislative requirements and community needs within the approved IDP.</p> <p><b>Water and Sanitation Services</b> - The Water Services section has been mandated by the Constitution of S.A. (1996), the Water Services Act (1997) and the Water Services Amendment Act (30 of 2004) to supply potable water and functioning sanitation systems to the communities within its area of jurisdiction.</p> <p><b>Project Management Unit</b> - The Merafong Council and the DPLG have approved the business plan for a project management unit on 15 June 2004 based on MIG programs, guidelines and strategies to integrate engineering disciplines with social upliftment within a capacitated PMU structure and Merafong backlog reality according to the National MIG Policy framework.</p>



**DESCRIPTION OF ACTIVITIES**

The activities within the department are administered within the following sections responsible:

- Section: Electricity Services
- Section: Civil Engineering Services
- Section Water and Sanitation Services
- Project Management Unit

**Strategic objectives of the department**

The key performance areas of the department are in line with National & Organisational objectives.

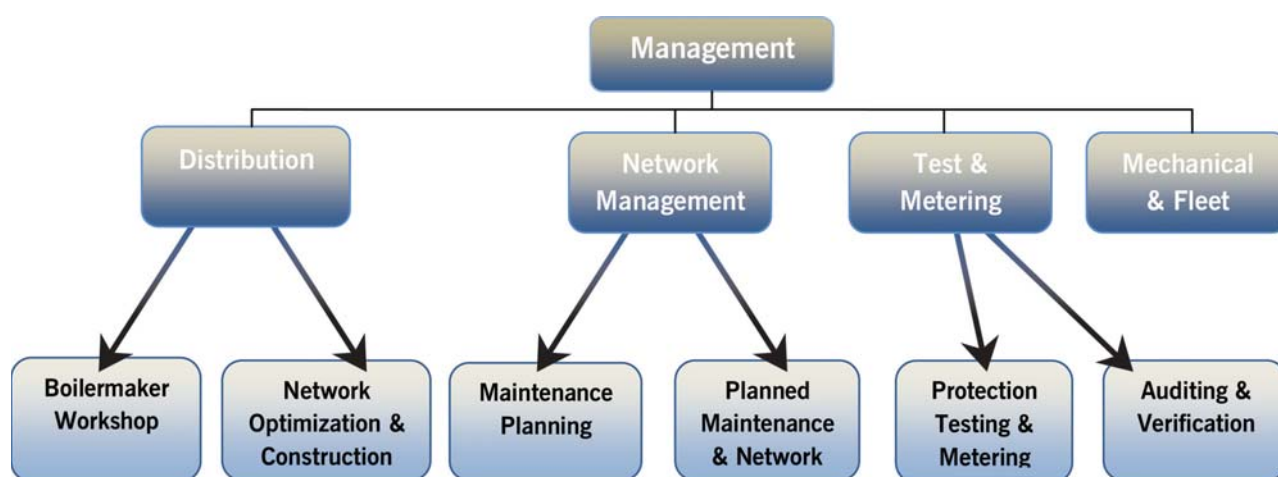
- To provide a sustainable and safe electrical supply to its communities.
- To provide an effective Customer Service to its clients within acceptable standards.
- Develop and create new Infrastructure as directed by approved Electrification plans within the IDP.
- To effectively maintain and safely operate the electricity network in compliance within the legal framework.
- The provision of safe and accessible roads.
- Provision and maintenance of sidewalks to acceptable standards.
- Provision of traffic calming measures to ensure safe traffic flow.
- Provision and maintenance of storm water systems.
- Manage and control the dolomite risk within the guiding framework of the approved dolomite risk management strategy of council.
- Maintenance of council facilities and buildings and building control.
- Distribution of water to all residents within the community.
- The maintenance and water supply done within the framework of the Water Services Development plan.
- Maintenance and operational objectives for water, sewer and water treatment plants are done in accordance with maintenance and operational plans as approved within the budget and IDP.
- The creation of new water and sewer infrastructure is mostly funded through external grant funding resources, such as MIG, and is executed by the Project Management Unit of Council.
- The provision of water, as a basic level of service, is provided within the guidelines of the Strategic Framework of Water Services.
- Execute all Engineering capital projects of the Municipality.
- Responsible to integrate, co-ordinate, project manage and financially administer the MIG program.
- Ensure project compliance with all applicable legislation, policies and conditions.
- Project performance and cash flow reviews.
- Submission of monthly, quarterly, biannual and ad hoc reports to DPLG as determined in applicable legislation required by the MIG Management Unit.



Table 5.3.1

FUNCTION: INFRASTRUCTURE DEVELOPMENT	
SUB-FUNCTION: Electrical Engineering (Distribution)	
REPORTING LEVEL	DETAIL
OVERVIEW	The Electrical Engineering Section of Merafong City is operating and managed within the Infrastructure Development Department, where all the other engineering disciplines are managed.
DESCRIPTION OF ACTIVITY	<p>The main functions of the Electrical Engineering Section of the municipality are:</p> <ul style="list-style-type: none"> <li>• Providing a Sustainable Electrical Energy supply to the community</li> <li>• Providing a Customer Service that supports the electrical energy services</li> <li>• Planning and Development</li> <li>• Provision of Organizational Communication Systems</li> <li>• Provision of Fleet and Mechanical Services</li> </ul>

The Electrical Engineering Section comprises of the following operational disciplines around which the Organisational Structure is aligned. This alignment is meant to support the core functions as detailed above.



REPORTING LEVEL	DETAIL		
ANALYSIS OF FUNCTION	Number and cost to employer of personnel:	Total	Cost
	Professional (Directors/Managers)	3	R1,113,703
	Field (Supervisors/Foremen)	6	R1,842,305
	Office (Clerical/Administration)	2	R244,818
	Non-professional (blue collar, outside workforce)	61	R8,101,369
	Temporary	0	R0
	Contract	0	R75,848

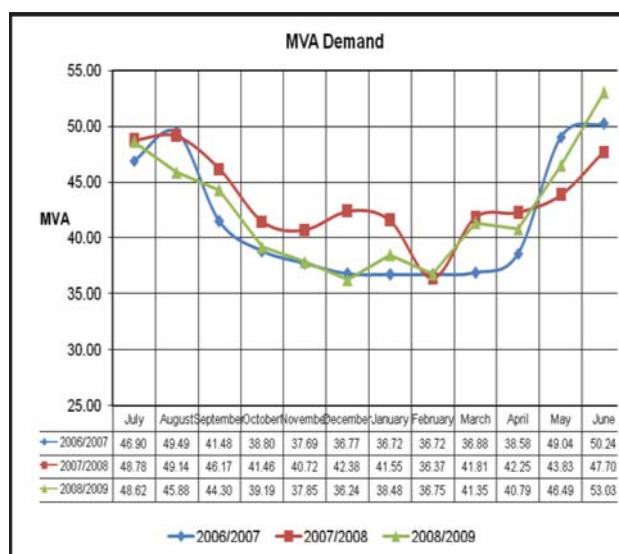
**SUB-FUNCTION: Electrical Engineering (Distribution)**

REPORTING LEVEL	DETAIL	Total	Cost
ANALYSIS OF FUNCTION	<b>Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer</b>		
	- Residential		
	- Commercial		
	- Industrial	224,314,935	
	- Mining		
	- Agricultural	(508,96 MVA)	R59,170,303.23
	- Other		
	<b>Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer</b>		
	- Household	116,385,014	R62,114,682.45
	- Commercial	72,483,06	R33,132,066.98
	- Industrial		
	- Other	14,090,468	R6,440,753.27
	<b>Total year-to-year electricity losses in kilowatt hours and rand</b>		
	Detail (System losses and theft) 9.57%	21,356,391	R11,337,906
	<b>Number of households with electricity access, and type and cost of service</b>		
	<b>Electrified areas</b>		
	- Municipal	39,917	R35,400,350
	<b>Number and cost of new connections:</b>		
	- Fochville	38	R131,000
	- Greenspark	1	R3,450
	- Carletonville	20	R369,000
	- Wedela	11	R37,950
	- Khutsong South	3	R10,350
	- Blybank	2	R6,900
	- Welverdiend	2	R6,900
	- Kokosi	8	R27,600
	<b>Number of disconnections and reconnections (Revenue)</b>		
	Disconnections	3031	
	Reconnections	1014	

# SUB-FUNCTION: Electrical Engineering (Distribution)

REPORTING LEVEL	DETAIL	Total	Cost
ANALYSIS OF FUNCTION	<b>Number and total value of electrification projects planned and current</b>		
	- Current (2008/2009)	40	R240,000
	- Planned (2009/2010)	362	R1,900,000
	<b>Anticipated expansion of electricity service</b>		
	Detail – total number of households to benefit and total additional operating cost per year to municipality	402	R240,000
	<b>Type and number of grants and subsidies received</b>		
	(list each grant or subsidy separately)	1	R21,281,344
	DBSA Loan R 25 mil allocated for Khutsong South Sub Station (new) DME Grant R1.9mil allocated for thee electrification of houses in Wedela		<b>R78,701,296</b>

## ELECTRICITY CONSUMPTION



## PURCHASING OF ELECTRICITY

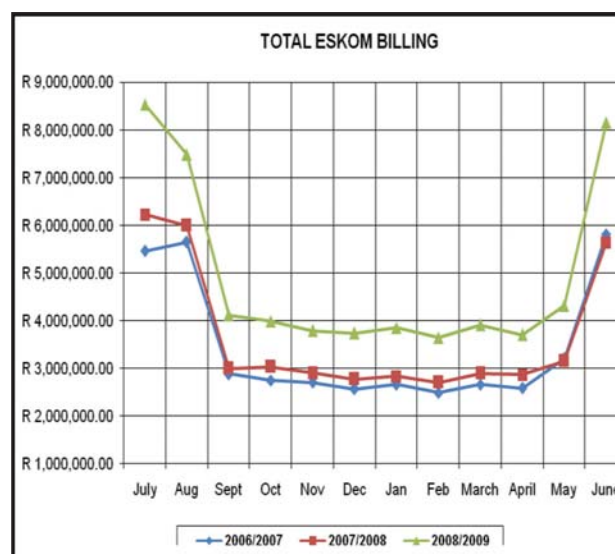


Table 5.3.1.1 New Electrical connections

Area	Connections 2007/2008	Connections 2008/2009
Wedela	8	11
Welverdiend	9	2
Khutsong South	11	3
Carletonville	35	20
Fochville	78	38
Kokosi	28	8
Greenspark	11	1
Blybank	-	2
<b>TOTAL</b>	<b>179</b>	<b>85</b>

Table 5.3.2

FUNCTION: INFRASTRUCTURE DEVELOPMENT			
SUB-FUNCTION: Electrical Engineering (Street lighting)			
REPORTING LEVEL	DETAIL		
DESCRIPTION OF ACTIVITY	Street lighting responsibilities of the municipality are administered as follows and include:		
ANALYSIS OF FUNCTION		Total	Cost
	Number and total operating cost of streetlights servicing population	10,320	R1,488,000
	Total bulk kilowatt hours consumed for streetlights	6,702,563	R3,597,265.97

Table 5.3.2.1 Lighting profile for the different areas of supply

	125w	200w	250w	400w	150w	70w	100w	Nr of lights per area
Fochville	1,906		146	259	15	164	100	2,590
Carletonville	1,026	554	1,550	14				3,144
Wedela	947		23	6	32			1,008
Kokosi	317		10	160	51	88		626
Khutsong	732		292	227				1,251
Khutsong South	776		24					800
Wolverdam	299		92					391
Blybank	202						10	212
Greenspark	254		44					298
<b>Total for Merafong</b>	<b>6,459</b>	<b>554</b>	<b>2,181</b>	<b>666</b>	<b>98</b>	<b>252</b>	<b>110</b>	<b>10,320</b>





Table 5.3.3

FUNCTION: INFRASTRUCTURE DEVELOPMENT			
SUB-FUNCTION: Civil Engineering (Roads and Storm water)			
REPORTING LEVEL	DETAIL		
<b>OVERVIEW</b>	<p>The road network is composed of gravel, tarred and block paved roads. The maintenance of the roads and storm water infrastructure is done within the framework of the Pavement Management System. Maintenance and operational plans are aligned in accordance with the available approved budget and programs are executed accordingly. New roads and storm water infrastructure funded through external grant funding (such as Municipal Infrastructure Grant funding (MIG) or funding through Provincial Housing, is created by the Project Management Unit.</p>		
<b>DESCRIPTION OF ACTIVITY</b>	<p>Roads and Storm water's main functions are as follows:</p> <ul style="list-style-type: none"> <li>• To provide roads that are safe and accessible</li> <li>• To provide sidewalks that are safe and accessible</li> <li>• To provide traffic calming measures to ensure safe traffic flow</li> <li>• To provide storm water infrastructure</li> <li>• Maintain adequate storm water infrastructure</li> <li>• Scrutinize designs, new applications and new projects and upgrading of current infrastructure</li> <li>• Ensure that all legislation pertaining to Roads and Storm water is complied to accordingly.</li> </ul> <p>In order that to meet the above objectives, the Roads and Storm water section must ensure that all the designs and construction standards are compiled with accordingly. During the execution of all projects pertaining to road maintenance and construction, it is imperative that all is done in terms of approved designs standards. This mandate was met whereby all projects executed complied with the said rules and regulations. All designs and quality assurance were conducted in conjunction with the Project Management Unit (PMU) and were approved in-house.</p> <p>It is also important that quality assurance is conducted at all times to ensure that materials and methods used comply with the standards laid by accredited authorities in the specified field. All quality materials used in the section and all projects complied in terms of SABS quality standards</p>		
<b>ANALYSIS OF FUNCTION</b>	<b>Number and cost to employer of personnel:</b>	<b>Total</b>	<b>Cost</b>
	Professional (Directors/Managers)	1	R567,832.06
	Field (Supervisors/Foremen)	4	R685,190.90
	Office (Clerical/Administration)	2	R241,462.37
	Non-professional (blue collar, outside workforce)	30	R2,384,002.02
	Temporary	2	R84,870.57
	Contract	0	R0



SUB-FUNCTION: Civil Engineering (Roads and Storm water)			
REPORTING LEVEL	DETAIL		
ANALYSIS OF FUNCTION		Total	Cost
	<b>Total number, kilometers and total value of current road projects</b>		
	- New bitumenised (number)	1,81km	R4,016,532.38
	- Existing re-tarred (number)	0	R0
	- New gravel (number)	0	R0
	- Existing re-sheeted (number)	0	R0
	<b>Total kilometers and maintenance cost associated with existing roads provided</b>		
	- Tar	364,44l	R502,163
	- Gravel	191,02	R900,000
	- Paved	12,70	R704,327
	<b>Average frequency and cost of re-tarring, re-sheeting roads</b>		
	- Tar ( <i>based on maintenance records</i> )	0	R0
	- Gravel	191km	R4,712
	- Paved	12,7km	R55,459
ANALYSIS OF FUNCTION	<b>Estimated backlog in number of roads, showing kilometers and capital cost</b>		
	- Tar	191,02km	R191,020,000
	- Gravel	0	R0
	- Paved	0	R0
	Type and number of grants and subsidies received	1	R4,016,532.38
	<b>Total operating cost of road construction and maintenance function</b>		<b>R9,574,866</b>



Table 5.3.4

FUNCTION: INFRASTRUCTURE DEVELOPMENT	
SUB-FUNCTION: Civil Engineering (Dolomite Risk Management Strategy)	
REPORTING LEVEL	DETAIL
<b>OVERVIEW</b>	A dolomite risk management strategy incorporating a risk management database system has been developed to outline the process and procedures involved in the management of unsafe subterranean doline soil conditions within the municipal area of Merafong City
<b>DESCRIPTION OF ACTIVITY</b>	The activity is executed under the supervision of the external professionals and managed by the Civil Engineering Section in conjunction with Disaster Management in the Public Safety Section.
<b>ANALYSIS OF FUNCTION</b>	<p>The section operates within the Civil Engineering section under the wing of Roads and Stormwater. A number of areas within the jurisdiction of Merafong City in undertaking by dolomite.</p> <p>The objective of a Dolomite Risk Management System is to promote a safe environment and to give priority to the effective management of risks by being pro-active on measures that reduce the vulnerability of disaster prone areas, communities and households to include the following:</p> <ul style="list-style-type: none"> <li>• Establishment of a dolomite risk management committee</li> <li>• Control of township establishment procedures for new developments and where informal developments occur.</li> <li>• Continual assessment of the status of structural integrity of buildings and conditions of wet surfaces around buildings.</li> <li>• Continual assessment of integrity and condition of bulk-wet services</li> <li>• Monitoring and control of groundwater abstraction as drawdown of the water table may increase risk.</li> <li>• Compilation of information on the occurrences of instabilities and the management of new occurrences.</li> <li>• Distribution of information to responsible officials and relevant interested and affected parties.</li> </ul>

Table 5.3.4.1 Occurrences during 2008/2009

Description	Date of occurrence	Action taken
Stand 1870, Khutsong	May 2009	- Investigation conducted. - Area monitored regularly
Stand 7265, Khutsong	October 2008	- VGI Consulting appointed to conduct an investigation. - Report compiled with recommendations. - Recommendations executed
ADA Reservoir	September 2008	- VGI Consulting appointed to conduct an investigation - Sinkhole rehabilitated as per the recommendations by the Consultant

**KHUTSONG**